

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

<b>In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge for 2022 Associated with Its Solar Renewable Energy Certificate (“SREC II”) Program</b>	<b>) ) ) ) ) ) ) ) ) )</b>	<b>BPU Docket No. ER21091108  Stipulation of Settlement</b>
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**Margaret Comes, Esq., Associate Counsel, for Petitioner Rockland Electric Company**

**Maura Caroselli, Esq., Deputy Rate Counsel, and Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (Brian O. Lipman, Esq., Director)**

**Terel Klein, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Matthew J. Platkin, Acting Attorney General of New Jersey)**

**TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES**

THIS STIPULATION OF SETTLEMENT (“Stipulation”) is made by and among Rockland Electric Company (“Rockland” or “Company”), Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively referred to herein as the “Parties”).

**PROCEDURAL HISTORY**

In accordance with the New Jersey Board of Public Utilities’ (“Board” or “BPU”) December 18, 2014 Order Approving Stipulation issued in Docket No. EO31020118, Rockland filed a Verified Petition dated August 31, 2021 (“2021 Petition”) seeking Board approval of the

proposed Solar Renewable Energy Certificate (“SREC”) II Administrative Fee and applicable Regional Greenhouse Gas Initiative (“RGGI”) Surcharge for calendar year 2022.<sup>1</sup>

In the Rockland SREC II Order the Board approved a Stipulation of Settlement, which set forth how Rockland would participate in an SREC-based financing plan with Jersey Central Power & Light Company (“JCP&L”) and Atlantic Electric Company (“ACE”). Pursuant to this Board-approved Stipulation, Rockland agreed to implement an SREC II Program whereby it would enter into SREC Purchase and Sale Agreements (“SREC-PSAs”) with solar project owners or developers (“Program Participants”) selected through a competitive process. Specifically, Rockland agreed to enter into SREC-PSAs with selected Program Participants for up to 4.5 MW of installed solar capacity in Rockland's service territory, allocated among three (3) program segments and solicited over a three (3)-year period.

On February 4, 2019, the Company filed a Verified Petition seeking Board approval of (i) the true-up of the Administrative Costs incurred and Program Participant Fees collected from July 2014 to December 2018 pursuant to the SREC II Program, and (ii) Rockland's proposal regarding the adjustment of the SREC II Program's Administrative Costs and Program Participant Fees effective January 1, 2019 (“February 2019 Petition”). In its February 2019 Petition, the Company proposed no changes to the Program Participant Fees. By Order dated December 20, 2019, the Board approved the following: (i) continuation of the SREC II Administrative Fee at \$30 per SREC for calendar year 2019; (ii) to maintain the Administrative Fee for calendar year 2020 at \$30 since Rockland will not have filed a petition for the Parties to review related to the Administrative Fee;

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<sup>1</sup> Order Approving Stipulation *In the Matter of the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1 (SREC II Program)*, Docket No. EO13020118 Order, dated December 18, 2013 (“Rockland SREC II Order”).

and (iii) to continue the RGGI Surcharge to recover SREC II Financing Program's Direct Charges at \$0.000000 per kWh.<sup>2</sup>

On October 30, 2020, the Company filed a Verified Petition seeking Board approval of a proposed SREC II Administrative Fee and applicable RGGI Surcharge for calendar year 2021 ("2020 Petition"). In the 2020 Petition, the Company stated that from the inception of its SREC II Program through 2020, RECO's under-recovered balance of Administrative Costs was \$68,952 excluding interest. RECO projected its administrative costs through calendar year 2021, with interest, to be \$159,037. The 2020 Petition provided that the Administrative Fees and Administrative Costs in the 2020 Petition for October 2020 through December 2020 were estimated. The Company also explained that using the recovery mechanism set out in the Rockland SREC II Order, its Administrative Fee would be \$45.28 per SREC. The Company stated that based upon SREC II Program Direct Costs and SREC II Auction Revenues through 2020, and its projected SREC II Program Direct Costs and SREC II Auction Revenues through calendar year 2021, there was projected to be an over-recovered balance of Direct Costs, excluding interest, of \$189,848. The Company also explained that Direct Costs and Auction revenues in the 2020 Petition for October through December 2020 were estimated. Accordingly, the Company proposed that its RGGI Surcharge be continued at its current charge of \$0.000000 per kWh.

By Order dated December 16, 2020, the Board approved the Company's request to continue the SREC II Program's Administrative Fee for calendar year 2021 at the then applicable

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<sup>2</sup> Decision and Order Approving Stipulation, *In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2019 Associated with Its Solar Renewable Energy Certificate (SREC II) Program*, Docket No. ER19020156, Order dated December 20, 2019.

charge of \$30 per SREC.<sup>3</sup> The Board's December 2020 SREC II Order did not address the RGGI Surcharge for the direct costs associated with the SREC II Financing Program, and accordingly did not approve a specific tariff provision for such charge.

On March 19, 2021, the Company updated its SREC II Administrative Costs and projected Administrative Costs, and calculated an under-recovery of Administrative Costs in 2020 of \$67,599, and Projected Administrative Costs for 2021 including interest of \$61,261 ("March 2021 Update"). Based upon the March 2021 Update, the Company's Administrative and projected Administrative Costs to be recovered in 2021, with interest, was \$128,860, and its updated Administrative Fee was \$43.14.

By Order dated July 14, 2021, the Board approved a Stipulation signed by the Parties whereby the Parties agreed that the Administrative Fee for the SREC II Program for calendar year 2021 would continue at the previously approved level of \$30.00, and the RGGI Surcharge associated with the SREC II Program would continue at a rate of \$0.000000 per kWh.<sup>4</sup>

On September 1, 2021, the Company filed a Verified Petition seeking Board approval of a proposed SREC II Administrative Fee and applicable RGGI Surcharge for calendar year 2022 ("2021 Petition"). In the 2021 Petition, the Company stated that from the inception of its SREC II Program, RECO will have collected in administrative fees \$73,880 based upon actual data through July 2021, and \$3,750 in estimated administrative fees from August 2021 through

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<sup>3</sup> Decision and Order Setting Administrative Fee, *In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated with Its Solar Renewable Energy Certificate (SREC II) Program*, Docket No. ER20100691, Order dated December 16, 2020 ("December 2020 SREC II Order").

<sup>4</sup> Decision and Order Approving Stipulation, *In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated with Its Solar Renewable Energy Certificate (SREC II) Program*, Docket No. ER20100691, Order dated July 14, 2021.

December 2021. Correspondingly, from the inception of the SREC II Program through July 2021, RECO has incurred administrative costs of \$65,843 based upon actual data through July 2021, and \$9,000 in estimated administrative fees from August 2021 through December 2021. The Company's estimated over-recovered balance of administrative costs from initiation of the SREC II Program through December 2021 is \$2,787, which included actual balance through July 2021 and estimated balance from August 2021 through December 2021, but without interest of \$1,797. The Company's estimated administrative costs for calendar year 2022 are \$27,000. In the 2021 Petition, the Company proposed that the Administrative Fee remain at \$30 per SREC.

By Order dated December 15, 2021, the Board approved the Company's request to continue the SREC II Program's Administrative Fee for calendar year 2021 at the then applicable charge of \$30 per SREC.<sup>5</sup> The Board's December 2021 SREC II Order did not address the RGGI Surcharge for the direct costs associated with the SREC II Financing Program, and accordingly did not approve a specific tariff provision for such charge.

On February 17, 2022, the Company updated its SREC II Administrative Fees, Administrative Costs, and projected Administrative Costs based upon actual data through December 2021 and projected data through December 2022. Accordingly, since the inception of the SREC II Program, the Company collected \$77,630 in Administrative Fees and incurred \$74,770 of Administrative Costs based upon actual data through December 2021.<sup>6</sup> The Company's over-recovered balance of Administrative Costs from initiation of the SREC II Program through December 2021, is \$2,860. The Company's projected 2022 Administrative

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<sup>5</sup> Decision and Order Setting Administrative Fee, *In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2022 Associated with Its Solar Renewable Energy Certificate (SREC II) Program*, Docket No. ER21091108, Order dated December 15, 2021 ("December 2021 SREC II Order").

<sup>6</sup> The \$74,770 does not include accumulated interest.

Costs are \$26,512, when incorporating the over-recovered balance of \$2,860 and including a credit interest of \$23 accrued in calendar year 2021, the total projected Administrative Costs to be recovered in calendar year 2022 is \$23,629.<sup>7</sup>

### **STIPULATION**

Since Rockland's submission of the 2021 Petition, Rate Counsel and Staff have propounded, and the Company has responded to, detailed discovery requests. As a result, the Parties have executed the following Stipulation, which provides for the following:

1. The Parties agree that the Administrative Fee for the SREC II Program for calendar year 2022 shall continue at the previously approved level of \$30. The Parties further agree that the RGGI Surcharge associated with the SREC II Program shall continue by tariff at \$0.000000 per kWh, inclusive of New Jersey Sales and Use Tax. Exhibit A, attached to the Stipulation, provides the proposed updated tariff pages that shall be applicable upon the Board's approval of the Stipulation.
2. The parties agree that through December 31, 2021, the Company incurred total Administrative Costs of \$74,770, and collected Administrative Fees of \$77,630, for a net over-recovery \$2,860. The interest on the \$2,860 net over-recovery is a credit of \$23.00. Given estimated 2022 Administrative Costs of \$26,512, the total amount to be collected in

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<sup>7</sup> The Administrative Costs of \$74,770 do not include accumulated interest, the interest of \$23.00, the over-recovery of \$2,860, and the total Administrative Costs to be recovered in 2022 may change. The Company will update its filing for 2022 with accumulated interest.

2022 is \$23,629, which also includes the 2021 interest of \$23.00 and the net over-recovery of \$2,860.<sup>8</sup>

3. The parties agree that through December 31, 2021, the Company incurred Direct Costs for SRECs of \$385,851 and received auction proceeds of \$522,470, for a net over-recovery of \$136,619, excluding interest. In its next SREC II filing, the Company will update these Direct Costs and auction proceeds, and identify the amount of interest accrued to date.
4. The Parties recognize and acknowledge that the Board's Rockland SREC II Order provides that, "After five years, there will be a true-up of Administrative Costs (including interest, if applicable) and Program Participant Fees, and Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, RECO will implement annual Program Participant Fee adjustments that will reflect any prior year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period." Additionally, the Parties recognize and acknowledge that the Rockland SREC II Order provides in paragraph 11 on page 9: "If, at the end of the SREC II Program cost amortization (which would not be earlier than the end of the ten-year contract terms of any SREC-PSAs executed during Year 3 of the SREC II Program), there is a net over-recovery of SREC Sales Revenue relative to Direct Costs of purchasing SRECs, then this over-recovery will be, in the first instance, used to offset any under-recovered Administrative Costs. Thereafter, any over-recovery will be returned to ratepayers through the RGGI Surcharge." The Parties agree that the Stipulation does not modify any provisions

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<sup>8</sup> See footnotes 6 and 7 above. Since the Administrative Costs of \$74,770 do not include accumulated interest, the interest of \$23.00, the over-recovery of \$2,860, and the total Administrative Costs to be recovered in 2022 may change. The Company will update its filing for 2022 with accumulated interest.

contained in the Rockland SREC II Order. However, the Parties agree that Rockland is authorized to carry forward any unrecovered administrative fee balance for recovery from Program Participants in future annual periods with interest.

5. Should the Board approve this Stipulation, the Company will submit updated tariff sheets within 10 business days of the effective date of the Board's Order conforming to the agreed upon rates and terms set forth in this Stipulation or on such other schedule as the Board shall determine. Additionally, the Company shall make its next SREC II filing establishing its proposed Administrative Fees of its RGGI surcharge for calendar year 2023 by no later than September 1, 2022. As stated in Board Order dated June 9, 2021 (BPU Docket Nos. QO19010040 and EO20090623) in paragraph 29 on page 12: "The Company's filings as it relates to its RGGI Surcharge shall be combined into one annual filing." The Company shall incorporate its SREC II filing, establishing its proposed Administrative Fees and SREC II component of its RGGI Surcharge for calendar year 2024, into its consolidated RGGI filing due no later than February 1, 2023.
6. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is



not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

7. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation. The contents of this Stipulation shall not be considered, cited, or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.
8. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

Dated: June 3, 2022

**ROCKLAND ELECTRIC COMPANY**

By *Margaret Comes*  
Margaret Comes, Esq.

**MATTHEW J. PLATKIN, ACTING ATTORNEY GENERAL OF NEW JERSEY**  
**ATTORNEY FOR THE STAFF OF THE BOARD OF PUBLIC UTILITIES**

By: *TK* 6/13/22  
Terel Klein, Esq.  
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**STATE OF NEW JERSEY, DIVISION OF RATE COUNSEL**

BRIAN O. LIPMAN, ESQ.

DIRECTOR, DIVISION OF RATE COUNSEL

By: */s/ Sarah H. Steindel*

Sarah H. Steindel, Esq.

Assistant Deputy Rate Counsel

GENERAL INFORMATION

**No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE**

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs;
- (e) Transitional Renewable Energy Certificate Program (“TREC Program”); and
- (f) Clean Energy Act Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs.

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.1868 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	0.0124	0.0132
Low Income Audit II Program	0.0186	0.0198
Low Income Audit III Program	(0.0110)	(0.0117)
SREC I Program	0.0394	0.0421
SREC II Program	0.0000	0.0000
TREC Program	0.0426	0.0454
Clean Energy Act Program	0.0730	0.0780
Total RGGI Surcharge	0.1750	0.1868

**(a) EES Program**

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President  
Mahwah, New Jersey 07430